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ARTICLES:

(1) Shuffle of LDP executives a double-edged sword

ASAHI (Page 4) (Full)
June 26, 2009

Prime Minister Taro Aso declared yesterday that he will dissolve the
House of Representatives on his own decision, implying the
possibility that he will begin shuffling the executive lineup of his

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Liberal Democratic Party (LDP) before the next Lower House election.
There is a rumor that he might appoint his close aide, Election
Strategy Council Deputy Chairman Yoshihide Suga, or popular Health,
Labor, and Welfare Minister Yoichi Masuzoe as LDP secretary general.
However, shuffling the LDP leadership and the cabinet could instead
accelerate the drive to remove Aso from office.

In the ruling parties, it has been regarded as more probable that
Aso will look into dissolving the Lower House after playing up his
diplomatic capability at the Group of Eight summit meeting starting
July 8 and gauging the result of the Tokyo metropolitan assembly
election on July 12.

With the cabinet's slump in the polls due to the resignation of
Internal Affairs and Communications Minister Kunio Hatoyama, a sense
of alarm has risen in the ruling bloc that "the LDP would lose the
position of the largest party in the Tokyo assembly race" (cabinet
minister). Calls are now emerging for replacing Aso before the Tokyo
election. In consideration of the Emperor's overseas trip starting
on July 3, a view is simmering in the LDP that the Lower House
should be dissolved on July 2 and the general election should be
held on Aug. 2.

The Machimura faction, the largest faction in the LDP with many
young lawmakers and a weak support base, is becoming increasingly
alarmed. A total of 108 lawmakers have already agreed with the idea
of holding an LDP presidential election ahead of schedule, which was
proposed by Lower House member Taku Yamamoto. Concerned that the LDP
would fall into disarray if nothing was done, former Prime Minister
Shinzo Abe met on the evening of June 24 and proposed a shuffle of
the LDP executive lineup and early Lower House dissolution. Aso,
however, appears to have avoided making a definite commitment.

Yesterday, Aso made it clear that he would not step down from his
post before the general election, although his popularity is low. He
also indicated that he is considering shuffling the LDP executives.
When it comes to shuffling the LDP leadership, the biggest point is
who will serve as secretary general to lead the party into the next
Lower House election along with Aso.

Some circles have rumored that Suga, who suggested last fall that
the dissolution of the Lower House be forgone and whom Aso named to
the post in charge of compiling a manifesto (set of campaign
pledges), would be selected as secretary general. However, veteran

lawmakers are strongly reacting to Suga, a fourth-term member in the Diet, strengthening his influence in the party. The Machimura faction in particular opposes the selection of Suga. Chairman Nobutaka Machimura sought to constrain Aso, arguing: "The secretary general should not be replaced." Incumbent Secretary General Hiroyuki Hosoda belongs to the Machimura faction. The faction, however, does not oppose the shuffle of the LDP executive lineup. The idea being floated in the Machimura faction is to appoint Masuzoe as secretary general. A source familiar with the Machimura faction said: "The faction's aim is to field Masuzoe as a candidate to succeed Aso."

Persons close to Aso remain reluctant to go along with the idea, with one aide saying: "Personnel changes would have a negative impact on the party." With a possible objection in mind, Aso needs to be ready to dissolve the Lower House soon after shuffling the LDP executives. However, a senior LDP member in the House of Councillors made this comment: "The Prime Minister is indecisive." A LDP leader

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clearly said: "(Aso) is resorting to stopgap measures, implying an early dissolution, in order to maintain his administration until the Tokyo assembly election. He can't dissolve the lower chamber."

Aso cannot ignore the New Komeito, which opposes Lower House dissolution before the Tokyo election. Appearing on a CS program on June 24, New Komeito leader Akihiro Ota sought to restrain Aso, saying: "We must enact at least the ship inspection legislation and bill amending the Organ Transplantation Law."

For Aso, another concern is action by anti-Aso forces. Taku Yamamoto has openly expressed that he will quickly collect signatures necessary for moving up the presidential election if an early dissolution is possible. A former cabinet minister said: "The Prime Minister would resign to take responsibility for a defeat in the Tokyo election." Because they have refrained from taking action to dump Aso in anticipation that he would resign on his own, there is a possibility that Aso's bold remarks will spur the argument to replace him.

(2) Sankei-FNN poll on Aso cabinet, political parties

SANKEI (Page 5) (Abridged)
June 23, 2009

Questions & Answers

(Note) Figures shown in percentage. Figures in parentheses denote findings from a previous Sankei-FNN survey conducted May 17.

Q: Do you support the Aso cabinet?

Yes 17.5 (27.4)
No 72.7 (60.9)
Don't know (D/K), etc. 9.8 (11.7)

Q: Which political party do you support?

Liberal Democratic Party (LDP) 20.1 (27.5)
Democratic Party of Japan (DPJ or Minshuto) 28.1 (30.5)
New Komeito (NK) 4.3 (4.0)
Japanese Communist Party (JCP) 3.6 (3.0)
Social Democratic Party (SDP or Shaminto) 1.9 (1.3)
People's New Party (PNP or Kokumin Shinto) 0.5 (0.4)
Reform Club (RC or Kaikaku Kurabu) 0.0 (0.0)
New Party Nippon (NPN or Shinto Nippon) 0.2 (0.0)
Other political parties 0.9 (0.2)
None 39.3 (31.4)
D/K, etc. 1.1 (1.7)

Q: Do you approve of Prime Minister Aso and his cabinet on the following points?

Prime Minister Aso's personal character
Yes 35.0 (32.0)

No 56.3 (57.2)
D/K, etc. 8.7 (10.8)

Prime Minister Aso's leadership
Yes 10.9 (15.8)
No 83.5 (75.5)

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D/K, etc. 5.6 (8.7)

Economic policy
Yes 23.6 (25.2)
No 68.4 (67.0)
D/K, etc. 8.0 (7.8)

Foreign policy
Yes 26.1 (31.1)
No 56.0 (50.1)
D/K, etc. 17.9 (18.8)

Cash benefits
Yes 37.6 (36.4)
No 58.4 (58.2)
D/K, etc. 4.0 (5.4)

Expressway toll reductions
Yes 48.0 (46.3)
No 47.0 (46.7)
D/K, etc. 5.0 (7.0)

Preferential system for purchases of eco-friendly home electronics
and automobiles
Yes 53.2 (50.7)
No 38.0 (40.6)
D/K, etc. 8.8 (8.7)

Q: Which issue do you think is important in the next election for
the House of Representatives?

A change of government 20.4
Global warming 3.1
Social security, including healthcare and pension systems 31.7
National security, including the North Korea problem 5.5
Financial resources for consumption tax, etc. 6.5
Economic stimulus measures 21.2
Administrative reform 5.5
Policy feasibility 4.7
D/K, etc. 1.4

Q: When comparing Prime Minister Aso and DPJ President Hatoyama,
which one do you think is more trustworthy?

Prime Minister Aso 22.7 (29.6)
DPJ President Hatoyama 57.3 (49.3)
D/K, etc. 20.0 (21.1)

Q: When comparing Prime Minister Aso and DPJ President Hatoyama,
which one do you think is better in terms of policy?

Prime Minister Aso 22.5 (25.7)
DPJ President Hatoyama 52.4 (43.1)
D/K, etc. 25.1 (31.2)

Q: When comparing Prime Minister Aso and DPJ President Hatoyama, who
do you think is stronger in debate?

Prime Minister Aso 21.9 (---)
DPJ President Hatoyama 62.1 (---)
D/K, etc. 16.0 (---)

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Q: When comparing Prime Minister Aso and DPJ President Hatoyama, who
do you think is more appropriate as prime minister?

Prime Minister Aso 19.8 (33.1)
DPJ President Hatoyama 51.6 (37.7)
D/K, etc. 28.6 (29.2)

Q: Do you think it is necessary to carry out the political reforms listed below and now being discussed between the ruling and opposition parties?

Reduce Diet members
Yes 85.9 (87.5)
No 11.1 (8.1)
D/K, etc. 3.0 (4.4)

Restrict hereditary politics
Yes 50.5 (56.2)
No 43.5 (36.1)
D/K, etc. 6.0 (7.7)

Prohibit corporate, organizational donations
Yes 61.7 (68.0)
No 29.4 (24.0)
D/K, etc. 8.9 (8.0)

Review the single-seat constituency system
Yes 61.4 (69.1)
No 24.2 (16.7)
D/K, etc. 14.4 (14.2)

Q: Who do you think is most appropriate now as Japan's prime minister among the following politicians in the ruling and opposition parties?

Taro Aso 4.8 (8.3)
Shigeru Ishiba 3.3 (---)
Nobuteru Ishihara 5.3 (4.5)
Yuriko Koike 3.0 (3.1)
Junichiro Koizumi 9.3 (13.0)
Kunio Hatoyama 3.4 (---)
Yoichi Masuzoe 10.7 (10.7)
Kaoru Yosano 3.5 (4.1)
Other ruling party lawmakers 2.3 (2.1)
Yoshimi Watanabe 2.8 (4.7)
Ichiro Ozawa 3.5 (3.7)
Katsuya Okada 7.5 (9.0)
Naoto Kan 3.3 (2.7)
Yukio Hatoyama 10.4 (7.6)
Other opposition party lawmakers 2.7 (2.6)
None 20.4 (15.3)
D/K, etc. 3.8 (4.2)

Q: What do you think about replacing Prime Minister Aso before the next election for the House of Representatives?

He should resign and the election should be held under the new prime minister 24.1 (18.4)
The prime minister should be selected according to election results 70.8 (77.0)
D/K, etc. 5.1 (4.6)

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Q: Which political party would you like to vote for in the next election for the House of Representatives in your proportional representation bloc?

LDP 25.2 (31.3)
DPJ 45.9 (45.2)
NK 5.2 (4.7)
JCP 4.2 (3.5)
SDP 2.1 (1.7)
PNP 1.0 (0.7)
RC 0.1 (0.0)
NPN 0.2 (0.1)
Other political parties 6.1 (5.4)

D/K, etc. 10.0 (7.4)

Q: What form of government would you like to see after the next general election?

LDP-led coalition government 14.9

DPJ-led coalition government 41.3

LDP-DPJ grand coalition 38.7

D/K, etc. 5.1

Polling methodology: The survey was conducted June 20-21 by the Sankei Shimbun and Fuji News Network (FNN) over the telephone on a computer-aided random digit dialing (RDD) basis. For the survey, a total of 1,000 persons were sampled from among men and women, aged 20 and over, across the nation.

(3) Survey of 100 company presidents: More respondents say economy is "improving" than "worsening"

NIKKEI (Top Play) (Excerpts)
June 28, 2009

About 50 PERCENT of top executives at 100 major companies surveyed by the Nikkei said that the economy was improving or showing signs of improvement, compared with six months ago, marking a sharp rise from the 0.7 PERCENT that said so in the previous survey (in March). The number of positive replies was larger than that of those who said the economy was worsening for the first time in 15 months since the survey in last March last year. The survey also found that about 70 PERCENT of respondents also expected domestic inventory adjustment to end by this September, showing that an increasing number of respondents believe that the economy has already bottomed out. Even so, less than 50 PERCENT said that recovery of demand for their products was still moderate, showing that many still take a cautious view about the future of their businesses.

The Nikkei conducts a survey of top executives at 100 major domestic companies quarterly. The latest survey was conducted until late June and replies were collected from 137 companies.

The diffusion index (DI) for the present economic situation was 16 PERCENT, marking a sharp increase from minus 96.4 PERCENT for the previous survey.

Asked when they expected to see inventory adjustment end in Japan, 46 PERCENT of respondents - the largest number - cited sometime between July and September in 2009, followed by 21.9 PERCENT saying the adjustment process is already complete. Of all respondents, 68

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PERCENT projected adjustment would be over by September. In the previous survey, the figure was 49.6 PERCENT, showing an improvement in business confidence.

In replying to a question about the present economic situation, 63.5 PERCENT said there was no major change in the situation, although the percentage was 4.4 PERCENT in the previous survey. Some 27 PERCENT still said economic conditions were worsening, but in the previous survey, those who gave this negative reply accounted for as many as 95.6 PERCENT.

Asked about the expected timing for economic recovery, however, the largest number of respondent at 22.6 PERCENT cited sometime between October and December in 2010, and 67 PERCENT or two thirds of all respondents predicted economic recovery in 2010. This figure is almost the same as that of the previous survey. Many respondents still expect that economic recovery will be slow.

As a major reason for the dim prospects for quick recovery, many cited slow recovery of demand. Asked about changes in demand for their products or services, compared with six months ago, 39.5 PERCENT said that demand decreased, 33.5 PERCENT said demand leveled off, and only less than 20 PERCENT replied that demand increased. Those who said that they also expected demand to increase steadily in six months and those who said demand would level off in six months accounted for 47.4 PERCENT, and 34.3 PERCENT,

respectively.

Asked about major causes of concern for the future economic situation, 79.6 PERCENT listed U.S. economic and political trends, followed by 60.6 PERCENT who picked declining consumer confidence.

Asked about the effect of the additional package worth approximately 56 trillion yen the Japanese government has decided to adopt to buoy up the economy, 55.5 PERCENT replied that no effect has yet to appear as of now, while 36.5 PERCENT said that positive effects have appeared rather than negative effects.

(4) Government to extend MSDF refueling mission in Indian Ocean for another six months

YOMIURI (Page 2) (Full)
June 28, 2009

The government has decided to extend the refueling mission being carried out by the Maritime Self-Defense Force's (MSDF) in the Indian Ocean based on the revised Anti-Terrorism Special Measures Law for another six months from July 15 until Jan. 15. The government has judged it necessary to continue its contributions to the fight against terrorism. It intends to formally decide on the new plan at a cabinet meeting on July 3.

A supply ship and a destroyer dispatched by the MSDF have supplied oil and water to warships from the U.S., British, France, Pakistan and other countries engaged in the Maritime Interception Operation to prevent the transportation of terrorists, drugs and weapons. Under the initial antiterrorist law (valid from December 2001 to November 2007), the MSDF ships provided about 490,000 kiloliters of oil and about 6,930 tons of water to 11 countries. Under the revised legislation enacted in January 2008, the ships provided about 19,655 kiloliters of oil and about 2,825 tons of water to eight countries until the end of this May.

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(5) Interview with Representative Courtney: Exports of F-22s will help strengthen U.S.-Japan alliance

NIKKEI (Page 6) (Abridged slightly)
June 27, 2009

The U.S. House of Representatives approved on June 25 the National Defense Authorization Act for Fiscal Year 2010 including the Courtney Amendment exploring sales of the F-22 state-of-the-art fighter jet to Japan. The F-22 fighter is a prominent candidate to become Japan's next-generation mainstay fighter jet (FX). The newspaper interviewed lawmaker Joe Courtney (D-CT), who proposed the amendment.

-- What prompted you to propose studying ways to export (F-22s) to Japan?

"First, Japan is an extremely important ally of the United States. Standardizing as many capabilities as possible (such as fighters) is one of the best ways to strengthen an alliance."

"Second, if the F-22 production line is suspended, it will cause a serious problem for the economy of the engine production area. (A plant in Connecticut) will be responsible for the production of engines of F-35s. Secretary of Defense Robert Gates' plan will create a blank period of three to four years (for a shift from the production of the F-22 to the F-35). During this period, 3,000 people (in my constituency) will lose their jobs."

-- It is said that Japan did not strongly lobby (for the F-22).

"There was not much information from the Japanese government for the passage of the amendment. Not many legislators are aware of the fact that the F-22 is the leading candidate to become Japan's next-generation fighter."

-- As a Democrat, didn't you feel reluctant to go against the

government's policy?

"Striking a balance between local needs and support for the President is always a challenge. But I don't think this is a life-or-death situation that breaks up the administration."

-- The Obama administration has suggested vetoing the legislation.

"What Secretary Gates regards as a problem is a clause seeking the continued procurement of the F-22, not my amendment (exploring sales of the aircraft to Japan). The national defense authorization act is a huge piece of legislation incorporating details from salaries to shipbuilding. I do not think the President will use his veto to affect the whole process because of my amendment."

-- In order to realize exports to Japan, the provision banning exports (Obey Amendment) must be abolished.

"The Obey Amendment has been added to all appropriations acts (over the last 10 years). If Representative Obey (of the Democratic Party) stops submitting it, there will be no impediments to exports. Methodology beyond this point, including the option of treating Japan as an exception, is classified information, so I cannot reveal it."

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(Interview by Sachiko Deshimaru, Washington Bureau)

(6) Editorial: Defense authorization bill a stepping stone for Futenma relocation plan

RYUKYU SHIMPO (Page 2) (Full)
June 29, 2009

The U.S. House of Representatives has passed the 2010 National Defense Authorization Act, which includes a clause of restrictions on the plan to relocate the U.S. military's Futenma airfield.

The House of Representatives said the defense secretary must not approve the relocation of Futenma airfield as long as it fails to assure the minimum standard of flight safety to the Senate and House Armed Services Committees.

What the House of Representatives means in that clause is that the length of the Futenma replacement facility's runway and the existence of obstacles in its vicinity, such as utility poles, do not meet the U.S. military's safety standards. There is no denying the impression that the U.S. military's safety comes before local residents in the bill. We are extremely unhappy with this point.

The bill is now before the Senate for deliberation. Meanwhile, the White House is showing moves to veto the bill. Given such circumstances, there is no knowing how the clause will be treated in the end. However, the House of Representatives' objection to the Futenma relocation plan should be taken seriously.

The bill is noteworthy as a stepping stone toward ending the Japanese and U.S. governments' brain freeze. The two governments have been sticking to Futenma relocation within Okinawa Prefecture through the 1996 SACO (Special Action Committee on Okinawa) accord and the 2006 agreement to realign U.S. forces in Japan.

Since the SACO accord, Okinawa Prefecture's population has consistently been opposed to Futenma relocation within the prefecture. Ahead of the prefectural assembly election in June last year, the Ryukyu Shimpo conducted a questionnaire survey of the prefecture's voting population. In that survey as well, those who want Futenma airfield to be relocated elsewhere outside Okinawa or outside Japan accounted for 60 PERCENT .

Okinawa Prefecture's public opinion against Futenma relocation within Okinawa Prefecture is clear. However, the Japanese and U.S. governments' leaders and bureaucrats have ignored it.

The two governments' officials would not change their far-fetched

stance and still adhere to Futenma relocation within Okinawa Prefecture. This is an act of folly. They should now think twice about their decision to relocate Futenma airfield within Okinawa Prefecture, and they should set about closing Futenma airfield and returning it into local hands in a new approach including its overseas relocation.

It is unfortunate that the two governments' security policy is surrounded by local animosities. Japanese and U.S. politicians are responsible for controlling policies so as not to incur such a misfortune.

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Meanwhile, U.S. Under Secretary of Defense Flournoy, during her visit to Japan last week, touched on the Futenma relocation plan, saying: "If we should give up on this, we will lose all other realignment plans. That's serious damage to the alliance." With this, the Pentagon official checked the Democratic Party of Japan's advocacy of relocating Futenma airfield outside Okinawa Prefecture.

The Obama administration has switched from the former Bush administration's unilateralism to international collaboration and is pushing for disarmament including nuclear elimination. It is regrettable that there was such a rigid remark from a bureaucrat in the Obama administration.

Many of the Japanese and U.S. governments' officials tend to adhere firmly to a course of action once it is set. We wonder if bureaucrats control politics or if politics controls bureaucrats. The future course of the Futenma relocation issue is a touchstone that will foretell the Obama administration's policy toward Japan.

(7) DPJ's Futenma plan damages Japan-U.S. relations

RYUKYU SHIMPO (Page 2) (Full)
June 29, 2009

The leading opposition Democratic Party of Japan (Minshuto), now being rumored to be ready to take over the reins of government in the next election for the House of Representatives, has been calling for the U.S. military's Futenma airfield to be relocated outside Okinawa Prefecture. The DPJ has sounded out the U.S. government on its proposal to review the Guam relocation pact. Bearing this in mind, Takushoku University Professor Takashi Kawakami, who has contacts in the U.S. government and Congress and who is familiar with security policy, pointed out the DPJ's lack of a long-term perspective. "It will cause damage to Japan-U.S. relations," Kawakami said. "The DPJ might not have an answer (to Japan's security policy after that)," he added.

Kawakami stated his views at the first security workshop held by the Okinawa Peace Assistance Center (OPAC) on June 25.

Concerning the idea of relocating Futenma airfield outside Okinawa Prefecture, Kawakami noted that Hokkaido would be unlikely, citing its cold weather and snowfall. He said: "If they reconsider this issue, they will think about relocating the airfield within Okinawa Prefecture. I guess the Marine Corps would like to stay in Okinawa." He then indicated that it would be realistic to push for the current bilateral agreement and negotiate on the idea of moving operational troops.

The U.S. Department of Defense is expected to release the Quadrennial Defense Review 2010 report in late January 2010. In this QDR report, the U.S. military is looking into the feasibility of stationing troops in Okinawa during emergencies only. Kawakami explained that this is an important time for decision-making at the Pentagon.

In connection with U.S. policy, Kawakami introduced his view, saying the U.S. government does not regard China as a threat. The United States and China are now beginning to cooperate in the military area and a China-Taiwan war will not break out, Kawakami noted. He also explained that the situation is about to change, specifying that the United States, with its rapprochement toward China, is now in the

process of promoting "strategic cooperation" with China.

(8) Japan-ROK summit: No effective way to make DPRK abandon nuclear arms; effectiveness of sanctions depends on China

YOMIURI (Page 2) (Full)
June 29, 2009

Chiharu Mori, Seoul Bureau chief, in Tokyo

At the Japan-ROK summit on June 28, Prime Minister Taro Aso and President Lee Myung Bak agreed to take a tough stance against North Korea's provocative actions. Japan, the U.S., and the ROK have now fallen in step on U.S.-led policy toward North Korea. However, no effective way has yet to be found to make North Korea abandon its nuclear weapons.

Lee said at the post-summit joint news conference that, "It is necessary to show North Korea that it has nothing to gain from nuclear tests and missile launches." Aso also stressed that he agreed with Lee.

This represented a significant change from the previous Bush administration, when there was conflict between the U.S. and the ROK - which were rushing to resolve the nuclear issue by supplying heavy fuel oil and giving other rewards to the DPRK - on the one hand and Japan - which maintained a tough stance due to its abduction issue - on the other. U.S. President Barack Obama has indicated his determination not to repeat the Bush administration's mistakes in North Korean policy.

The main reason why Japan-U.S.-ROK cooperation is now possible is because President Lee has broken away from the Sunshine Policy adopted by the previous presidents Kim Dae Jung and Roh Moo Hyun. The basic premise of Lee's policy on the DPRK is the maintenance and development of the alliance with the U.S. for the ROK's security, even at the expense of chilling South-North relations.

However, even with Japan-U.S.-ROK cooperation in adopting a tough policy toward the DPRK, the effect will be much diminished if China, which gives economic support to North Korea, does not cooperate with the implementation of the UN Security Council sanction resolution. Prospects for holding the "five-party talks" proposed by Lee remain uncertain because China has not made clear where it stands.

(9) U.S. government sets up Asian policy team; Hopes for Japan's contribution, placing priority on applying pressure on North Korea

ASAHI (Page 11) (Full)
June 29, 2009

Kurt Campbell, nominated by President Barack Obama as assistant secretary of state for East Asian and Pacific affairs, was formally confirmed by the Senate on June 25. With this, the lineup of officials in charge of the Obama administration's Asia policy is now set. It has become clear that the Obama administration places importance on Japan by appointing Japan hands such as Campbell, and that it has begun shifting its North Korea policy from engaging in dialogue to applying pressure.

"A strong cooperative relationship between the United States and Japan is an indispensable foundation," Campbell clearly said at his

confirmation hearing on June 10 of the Senate Foreign Relations Committee. He stressed: "Strengthening relations with Japan is the best way" to approach U.S.-China relations, as well.

The Obama administration's selection of officials for its Asia policy team indicates its position of giving priority to Japan. The key officials in the administration's Asia team are Campbell and Assistance Secretary of Defense Wallace Gregson.

Campbell served as deputy assistant secretary of defense in the Clinton administration. As a Japan hand representing the Democratic Party, Campbell was engaged in the redefinition of the Japan-U.S. Security Treaty in 1996. Gregson, who was in the U.S. Marine Corps, was stationed in Okinawa for a long time. He worked on policy for East Asia and the Pacific under the Campbell's direction. Japan experts in the United States share the view that as Campbell and Gregson have often kept in touch with each other, they will become key persons in charge of U.S.-Japan policy.

However, as Secretary of Defense Robert Gates stated on U.S. relations with Japan and South Korea that the U.S. will gradually change from being a protector to a partner of the two countries, the Obama administration will likely ask Japan to play an appropriate role in dealing with international issues. Gregson stated in a report submitted in April to the Senate Committee on Armed Services: "I would like to urge Japan to expand its contributions to resolving both regional and global issues."

Meanwhile, the White House has appointed Jeffrey Bader, a renowned expert on China, as senior director for Asian affairs on the National Security Council (NSC).

With Campbell joining the Obama administration, reconstruction of the U.S. policy toward North Korea will likely move to the forefront.

The Obama administration named Stephen Bosworth to serve in a post called Special Representative for North Korean Policy, which was created in February, to engage North Korea in dialogue. However, the post of assistant secretary of state had been vacant for about two months since Campbell's predecessor, Christopher Hill, who was the U.S. chief envoy to the Six-Party Talks, was promoted to ambassador to Iraq. When North Korea launched a missile and conducted a nuclear test, the United States was delayed in taking countermeasures. Since Bosworth is the dean of a university graduate school, the U.S. media criticized the Obama administration, saying: "Can a part-timer deal with these issues?"

Under these circumstances, the President announced immediately after the North's nuclear test: "We must respond with action." While advocating a dialogue policy, Obama shifted to a policy of placing priority on pressure.

Obama ordered the formation of a delegation, including a "sanction implementation team" comprising officials from the Defense Department and the Department of the Treasury. He had Deputy Secretary of State James Steinberg, who is well versed in Asia policy, lead a U.S. delegation to Japan, China, and South Korea.

In his Senate confirmation hearing on June 10, Campbell stressed that he would take every possible measure, including those on military front. It is expected that the U.S. government will speed

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up its policy review in the form of including military and financial policies spanning multiple agencies.

(10) G-8 foreign ministerial with no leading actor: Absence of Sec Clinton, others weakens voice; Japan disappointed with only 25 minutes of talks on DPRK

YOMIURI (Page 3) (Excerpts)
June 28, 2009

The G-8 foreign ministerial meeting at Trieste, Italy facing the Adriatic Sea completed its three-day agenda, including the auxiliary meetings, on the afternoon of June 27 (evening of June 27, Japan time). While about 50 countries and international organizations were invited to this meeting, several of the "leading actors" were absent, and the message it sent out was not fully effective. This was a meeting that symbolized the G-8 framework at the crossroads. There are also growing concerns about the G-8 L'Aquila Summit to be held in Italy in July.

On June 26, Foreign Minister Hirofumi Nakasone declared proudly to reporters in Trieste: "I led the discussions on the North Korean issue."

The chairman's statement issued on that day took a tough stance on North Korea, asking all nations to implement sanctions under UN Security Council (UNSC) Resolution 1874. Nakasone wanted not only to show the international community Japan's strong position, but also to play up the achievement of the Aso administration for the domestic audience with the House of Representatives approaching.

However, the foreign ministerial devoted only 25 minutes to the North Korea issue, and only four people spoke. Compared to the Iran issue, which took over an hour, the international community had much less interest in the North Korea issue. Furthermore, when Nakasone called for the implementation of the UNSC resolution, Russian Foreign Minister Sergey Lavrov snapped at him: "It goes without saying that we should deal with the UNSC resolution appropriately. The important thing is for all countries to agree."

This has become a source of concern for Japan, which is hoping that the G-8 will send out a stern message to North Korea at the L'Aquila Summit.

The Japanese government is also very dissatisfied with Italy for limiting the plenary discussions of the G-8 foreign ministers to only 5 hours, while inviting some 50 nations and international groups to hold discussions on aid to Afghanistan and Pakistan totaling around 10 hours over June 26 and 27.

Japan had told Italy that "unless you narrow down the participants to nations that are able to discuss responsibly, the meeting will lack focus." Yet, the conference on aid to Afghanistan and Pakistan turned out to be a "speech contest" by various countries and organizations. The only foreign minister who stayed until the end was the Italian foreign minister. Nakasone also left Italy before the conference adjourned.

The reason Japan attaches great importance to the G-8 is because it believes that it is effective for the advance democratic countries sharing common values and thinking to send out messages to the international community, and Japan, being the only Asian member of

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the G-8, has been able to make its presence felt. However, the growing trend is that the G-8 is inadequate for discussing global issues. Japan now has a strong sense of alarm.

(11) First "Japan-China policy dialogue" to be held today:
Government, private sector to aid PRC environmental measures;
Support to be given to Japanese companies

NIKKEI (Page 3) (Full)
June 29, 2009

The government will provide support to China in water purification, waste recycling, and other environmental measures both by the public and private sectors. JCG Corporation and Hitachi Ltd. are entering the water purification business, and the Japanese local governments' know-how on waste disposal will be provided to China. Sewage water and other waste have become serious environmental pollutants in China. Japan will assist China in implementing environmental measures while also giving support to Japanese environmental companies going into business in China in this growing market.

Japan and China have set up the new "Japan-China policy dialogue on resources and the environment" as a regular venue for discussions. The first meeting of this forum will be held in Beijing on June 29 to reach agreement on concrete projects to be undertaken by companies and local governments. Officials at bureau chief level will engage in discussions from Japan's Ministry of Economy, Trade, and Industry and the PRC's National Development and Reform Commission.

Three projects will be implemented by Japanese companies in the area of water resources. JCG will introduce a purification system for

lakes and marshes using algae in Kunming City, Yunnan Province. This system decomposes and removes organic matter in lakes and marshes and supplies water with high oxygen concentrations using ozone.

A group consisting of Sojitz, Nitto Denko, and other companies will process sewage water using water treatment membranes and implement a project for reusing industrial water in the industrial districts of Tangshan City, Hebei Province. Hitachi Ltd., Kubota Corporation, and other companies will build a mechanism for purifying industrial and household waste water using biogas in Chaohu, Anhui Province.

The world water resources market is expected to grow from the current 60 trillion yen to 100 trillion yen by 2025. Japan possesses technologies such as advanced water treatment membranes, but the market is currently monopolized by the so-called "water majors," such as the French company Suez.

In the area of recycling, three Japanese local governments will participate in aid projects, with an eye to actually kicking off the projects in three years. The city of Kawasaki, where many recycling companies are located, will share methods for recycling home appliances and fluorescent lamps with the New Pudong District in Shanghai. Kitakyushu City will support Dalian City's formulation of a comprehensive waste disposal program, including a survey of waste in the city. Local governments and research institutes in the Ibaraki area will cooperate in setting up a waste recycling system for the Japanese companies' plants in the Tianjin Economic-Technological Development Area (TEDA).

Environmental pollution in China is serious and this has resulted in

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health problems for local residents. Japan will spend around 100 million in the current fiscal year (for environmental projects in China) through the New Energy and Industrial Technology Development Organization (NEDO).

(12) Japan to extend additional 30 million dollars to Pakistan for refugees

NIKKEI (Page 2) (Full)
June 27, 2009

Naoya Esato, Trieste, Italy

The foreign ministers of the Group of Eight (G8) had a luncheon meeting with their counterparts of Afghanistan and Pakistan on the afternoon of June 26, late night on June 26, Japan time, to exchange views on the area near the Afghanistan-Pakistan border which is serving as breeding grounds for terrorist activities. The G8 agreed to swiftly provide support for the security and stability of the area.

Foreign Minister Hirofumi Nakasone announced Japan's plan to extend an additional 30 million dollars to Pakistan as part of Japan's measures for refugees. Nakasone also conveyed to his Afghan counterpart a plan to send a team to monitor the presidential election there. After the luncheon, Nakasone held talks with his Afghan counterpart Rangin Dadfar Spanta in the city.

(13) JICA to offer ODA funds to the poor in developing countries, starting with 2.9 billion yen to Mongolia

YOMIURI (Page 2) (Full)
June 28, 2009

The Japan International Cooperation Agency (JICA) decided yesterday to offer emergency yen loans to the poor in developing countries that have faced severe fiscal conditions due to the global financial crisis.

As its first package, JICA will sign a contract with Mongolia on June 30 to offer low-interest loans worth 2.894 billion yen to that nation.

The governments of the developing countries concerned, JICA, and

Asia Development Bank will jointly draw up a poverty-assistance program that includes measures to improve the developing countries' medical and education systems. JICA will lend the necessary funds to implement the program. JICA will also urge for systemic reform that will lead to improving the efficiency of developing countries' fiscal spending.

Prime Minister Aso announced this April Japan's plan to provide 2 trillion yen in official development assistance (ODA) funds to Asian countries by adding 500 billion yen to its initially announced amount. In response, the Mongolian government came up with a request for Japan's assistance.

In Mongolia, the price of copper - its major export item - has sharply dropped in the aftermath of the global financial crisis. The nation now finds it difficult to support the poor as its jobless rate and fiscal deficit have been rising sharply. The assistance program includes measures to prevent children from suffering from

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malnutrition and a plan to train teachers. The redemption period of the offered yen loans will be 30 years, with an annual interest rate set at 0.8 PERCENT .

(14) U.S. Embassy invites JCP Chairman Shii to Independence Day reception

SANKEI (Page 5) (Full)
June 27, 2009

It was learned on June 27 that the U.S. Embassy in Japan has invited Japanese Communist Party (JCP) Chairman Kazuo Shii to a reception celebrating (July 4) Independence Day, which the embassy will hold on July 2. Shii intends to attend the reception. Many people are surprised at a sudden thaw by the JCP because the party has thoroughly criticized the U.S. government.

Shii sent a letter extending a cordial welcome to President Barack Obama for his speech in Prague in late April, in which the President advocated nuclear disarmament. He then received a reply from the U.S. Obama administration. Thinking that an official communication channel has been built, Shii is enthusiastic about a first time visit to the U.S. for a JCP chairman.

(15) 25 suspected cases of child abuse by U.S. soldiers since 2000 handled by Okinawa children's welfare centers, local governments

OKINAWA TIMES (Page 28) (Abridged)
June 27, 2009

It was learned on June 26 through Okinawa Prefectural Government data that there had been 25 cases of suspected child abuse by U.S. soldiers living off-base handled by children's welfare centers and local governments in the prefecture since 2000. Since there is no established mechanism for collaboration among local governments, prefectural police, and consultation offices on-base, the Okinawa government says that "this needs to be considered in future coordination."

According to the prefectural government, 23 of these cases were handled by children's welfare centers and two by local governments. Two of the cases required temporary custody of the children, while in most of the cases, the children's conditions were checked and they were given support in their own homes. There were also four cases that happened on-base which were handed over to U.S. military offices.

In light of the case in 2007 where an American boy in Uruma City died as a result of abuse by his stepfather, Okinawa instituted the following measures to prevent the recurrence of similar cases: (1) review of telephone helplines to make sure that the child abuse perspective is taken into account in child care counseling; (3) thorough checks on children's safety; (4) comprehensive training of personnel in charge; and (4) cooperation with concerned offices on-base.

(16) Interview with Agnes Chan: Abuse of children unforgivable

MAINICHI (Page 10) (Almost full)
June 26, 2009

-- Diet discussions on a bill amending the Law Punishing Acts

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Related to Child Prostitution and Child Pornography will start.

"UNICEF in Japan is carrying out an "End Child Pornography" campaign since March last year in an effort to eliminate the commercialization of child sex. The campaign calls for criminalizing sexual abuse of children in anime and games, acts that are not punishable under the existing law. In particular, it places priority on an amendment to the law so as to ban simple possession of child pornography or images depicting children under the age 18 engaging in sexual activities."

-- What makes you dig in your heels for a ban on simple possession of child porn?

"Some people insist that since possessing child porn is a matter of one's hobby, enjoying such on an individual basis should not be banned. The diversity of sex should be respected. However, it is unforgivable that small children who cannot reject or flee are being sexually abused and some people satisfy their lust to dominate, by watching such images. Once child pornography is photographed, it will be repeatedly copied and remain forever. There are many cases in which a girl had sex with a partner of sponsored dating out of a whim and this partner took photos or video-tape their sex scenes and later, this man threatened her, saying, "If you don't meet me again, I will send these photos to your teacher and parents. I will post them on the Internet." These girls will be made sex slaves for the rest of their lives. Many child porn lovers get hooked on such images, after seeing such out of interest or curiosity. If simple possession of such is made illegal, it would deter people from possessing such, albeit slightly. It should help prevent endless proliferation of child porn.

-- Isn't there an aspect that the real situation is not understood?

"People tend to think of child porn lightly, thinking that such are just pictures of naked children or a young girl in swimming suit. That is not the case. Child porn can be the depiction of children being raped, while being tied up, and being broadcast live on the Internet. Or it can be the depiction of a one-year-old or two-years-old child being penetrated with a sex organ. Their lives can naturally be endangered. Many cruel things are carried out against children, and there are people who enjoy watching such. Since I am a woman, I had been hesitant to use explicit language. However, I have made up my mind. I must tell the facts in order to have people understand what child porn means."

-- How do other countries see Japan?

"Only Japan and Russia do not ban simple possession of child porn among the G-8 member nations. Child porn cannot be rooted out without international cooperation. Japan is lagging behind in banning simple possession of such pornography. It is also a major child porn exporter. Whenever I see persons involved in a movement to ban child pornography abroad, they blame me. Only a handful of people are fond of child porn, and yet foreigners think that Japanese men all like child porn. Words like "Loli-con (Lolita complex)" or "hentai (sex pervert)" are already international words among those with a child-porn mania. There is misunderstanding that such are part of Japanese culture."

-- You are leading the campaign. Have you ever been criticized by child-porn maniacs?

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"They post such words as "Die!" or "Go back to Hong Kong" on

bulletin boards of the Internet. I believe they are worried about what child porn will become of in the future. I have no intention of messing up their lives. I just want to protect children."

-- What is your driving force for carrying out this campaign?

"As a UNICEF goodwill ambassador, I have met many children who were sexually abused in Thailand and the Philippines. I also realized that Japan is deeply involved. I met a girl who found on the Internet obscene photos of herself taken by the second husband of her mother when she was a child. It was a heart-breaking experience for me to know such things. I would like to fulfill my responsibility as a person who has come to know such a situation."

Agnes Chan (53): Born in Hong Kong in 1972. Made a debut in Japan as a singer with a song "Hinageshi no Hana." Serving in the present post since 1998. Making a public appeal on situations in Thailand, Sudan and Iraq, after inspecting them.

ZUMWALT